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SUBJECT: JERUSALEM MEDIA REACTION (6/27): "ARE WE ON OUR WAY TO GIVING UP JERUSALEM?"

Main Stories:

All dailies lead with news that Gaza crossing points will remain closed for a third day because of Palestinian truce violations. The Al- Aqsa Martyrs Brigade claimed responsibility for the shooting of two rockets on July 26 into southern Israel, papers report, further noting that the group justified the attacks as a response to unspecified Israeli violations of the Hamas/Israeli truce. Papers highlight the angry reaction of Hamas to the rocket attacks on front pages. According to coverage, Hamas has threatened to punish any Palestinian group that violates the truce, including the Al- Agsa Brigades.

Palestinian Authority officials weigh in on the issue of the Hamas/Israeli truce. In a June 26 statement issued to the press, Palestinian Authority President Abbas emphasizes his support for the truce agreement, explaining its benefits: creating conditions conducive to the end of the Israeli blockade on Gaza, ending Israeli "aggression", and facilitating the reopening of the Gaza crossings, "so that the Palestinian people can go back to living a normal In related coverage, Palestinian Authority Premier Fayyad underscored a similar message about the importance of the truce and the reopening of Gaza crossing points during a June 26 meeting with his Czech counterpart in Prague.

Al-Quds quotes "reliable" Palestinian sources in reporting about the agenda of Palestinian Authority President Abbas' upcoming visit to Syria. Sources confirm that Abbas will ask Syrian President Al Assad to use his authority to push Hamas leaders to participate in a Palestinian national dialogue aimed at ending internal Palestinian division. Abbas and Al Assad will also discuss Palestinian-Israeli negotiations, the paper reports. The quoted sources expect the

Syrian President to respond to Abbas' call and urge Hamas to agree with Fatah on a start date for talks. Abbas wants Arab League sponsorship for the talks and the participation of other Arab countries such as Saudi Arabia, Egypt, Syria and Yemen, the article notes. The talks would focus on all, "complicated matters between Fatah and Hamas" and include the participation of representatives from all factions, Al Quds continues. In related coverage in all papers, Dr. Ahmad Yousef, political advisor to former Hamas Premier Haniyyah, states that those who are, "betting on the failure of talks between Fatah and Hamas are wrong" and that, "everybody is waiting for the Cairo invitation to officially launch dialogue and achieve the necessary understanding," among parties.

The three dailies report on revelations and anger over the discovery of additional structural damage to houses in the Old City in Jerusalem due to Israeli excavations near the Mograbi or Dung Gate, near the Al-Aqsa mosque complex.

Prisoner exchange deals continue to capture headlines: The three dailies report that an official Egyptian source has confirmed the dispute between Hamas and Israel over the list of 450 Palestinian prisoners to be released. Israel has agreed to release 71 prisoners from the list, but continues to refuse the release of those, "whose hands are stained with blood." In regards to the Israel/Hizbollah prisoner exchange deal, the three dailies report that the deal is expected to be signed by the Israelis on June 30.

Front pages highlight declining standards of living: The head of the Palestinian Bureau of Statistics Dr. Luay Shabanah announced that one out of three families in the Palestinian Territories lives

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below the poverty line.

BLOCK QUOTES:

- **Independent Ayyam prints its daily editorial entitled,
 "Palestinian Visit to Damscus" (6/27): "It is clear that President
 Mahmud Abbas will visit the Syrian capital [in July] upon the
 official invitation [by] President Bashar Al-Assad... the invitation
 to Damascus is not only a show of appreciation for Abu Mazen's views
 and his participation at [Syria's] Arab summit, but also a new
 beginning for more balanced relations between the two parties...
 [However,] Abu Mazen's visit to Damascus is not purely about
 Palestinian- Syrian relations, it has significance for Amman, Cairo
 and Riyadh as well. [They] are waiting for ... Palestinians to
 regain national unity, [and thereby] strengthen the Arab position
 vis-a-vis the Israeli enemy and the international community so that
 Arab views will be heard and respected by everybody."
- 12. Independent Al-Quds runs its daily editorial entitled, "Are we on our way to giving up Jerusalem?" (6/27): "Jerusalemites who are threatened with the loss of their [Palestinian identity] are now faced with two options..., either immigrate without keeping the keys of return, or give up an identity for which they have [already greatly sacrificed] in order to ... remain in their city with an identity... that is different from [the Israelis]... the international community... is incapable of making progress on a number of matters, mainly Jerusalem... is it realistic to talk about a Palestinian Jerusalem and an Islamic Kiblah and rosy dreams?...

Walles